

Fact Sheet

INJURY/DISABILITY/WORKERS' COMPENSATION

Substance Abuse and Worksite Injuries

In an analysis of the 1994 National Household Survey on Drug Abuse (NHSDA), the authors found that weekly users of marijuana or cocaine were highly likely to have been fired from a job in the past year. Some research indicates that drug use leads to accidents in "high-risk" occupations such as construction work or among machine operators. (1)

In several worksite studies, substance-abusing workers, compared with their nonabusing colleagues, are:

- Five times more likely to file a worker's compensation claim;
- 3.6 times more likely to be involved in on-the-job accidents; and
- Late for work three times as often. (2)

A state of Tennessee document encouraging employers to invest in substance abuse programs notes that substance abuse in the workplace has a real impact on their bottom line. (3) Substance abuse drains more than \$100 billion from American businesses every year in:

Workers' Compensation: 38% to 50% of all workers' compensation claims are related to substance abuse in the workplace; substance abusers file three to five times as many worker's compensation claims.

Medical Costs: Substance abusers incur 300% higher medical costs than nonabusers.

Absenteeism: Substance abusers are 2.5 times more likely to be absent 8 or more days a year.

Lost Productivity: Substance abusers are one-third less productive.

Costs of On- and Off-the-Job Injuries

Injuries on and off the job cost employers about \$200 billion annually, or \$1,700 per employee. (4)

Injuries from highway crashes account for nearly one-fourth of occupational injury costs to employers--\$80,000 per million vehicle miles of travel, or \$23,000 per crash. (4)

Other costs resulting from worksite injuries (4):

- Lost productivity of uninjured coworkers due to time spent discussing the incident with coworkers;
- Attempts to handling work assignments to assist injured employee;
- Picking up the extra workload during the absence;
- Lost time of supervisors and executives dealing with the incident, as well as overtime payments required;
- Rescheduling work and/or failure to fill the order on time, resulting in lost business;
- Training costs incurred for replacements; and
- Administrative expenses passed on to the company from insurers and claims processors.

Injury/Disability/Workers' Compensation (Continued)

Drug-Free Workplaces and Workers' Compensation

State of Washington. The Washington State legislature in 1996 provided private sector employers a 5% discount on their worker compensation premiums after being certified by the state as having a drug-free workplace program. Requirements for certification include:

- A written policy statement;
- Alcohol/drug testing;
- EAP services; and
- Supervisory training and employee education.

As of June 30, 1998, over 6,000 employers had requested an application. Of those, 537 employers applied for certification and 397 were certified, 11 were pending (active status), 98 were pending (inactive), and 31 had withdrawn or were decertified. (5)

As of June 30, 1998, 283 employers had been recertified for a second year. While outcome data from the Washington Department of Labor and Industries (L&I) were still too premature to indicate definitive trends toward decreased industrial accidents, employers almost universally credited the program with producing not only a more productive workforce, but also a safer one. L&I data show that almost one-half of the employers in the discount program are also enrolled in retrospective rating groups, indicating that they consider a drug-free workplace program one strategy for decreasing industrial accidents and their costs.

State of Tennessee. The Tennessee Department of Labor is instituting a drug-free workplace program with similar requirements. The covered employers choosing to participate in this voluntary program will be entitled to the following:

- A 5% premium credit applied to their workers' insurance policy;
- Discharge or discipline of an employee, or refusing to hire a job applicant, who is found to be in violation of the covered employer's Drug-Free Workplace Program will be considered done for cause; and
- If an employee suffers a workplace injury and receives a positive confirmed post-accident drug test for illegal use of drugs or alcohol, or refuses to submit to a post-accident drug or alcohol test, the burden of proof is shifted to the employee. (3)

References

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2. Hafer, F.D. (1998). The cost of doing nothing. *EAPA Exchange*. January-February. 16-17. From Educational Publishing Department, Thirteen/WNET, New York.
3. State of Tennessee (<http://www.state.tn.us/labor/dfwp.html>), October 1998.
4. Miller, T.R. (1997). Estimating the costs of injury to U.S. employers. *Journal of Safety Research* 28(1):1-13.
5. Executive Summary. Drug-Free Workplace Program: Report to the [Washington State] Legislature. August 1998.